



Application Guidelines and Allocation Plan

**Tax-Exempt Private Activity Bonds
and 4% Low-Income Housing Tax Credits**

Revised July 2004

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The District of Columbia Housing Finance Agency was established in 1979 to stimulate and expand homeownership and rental housing opportunities in Washington, D.C. We accomplish our mission by issuing tax-exempt Mortgage Revenue Bonds that lower the homebuyers' costs of purchasing and rehabilitating homes and the developers' costs of acquiring, constructing, and rehabilitating rental housing. We embrace our responsibility with conviction and pledge our best efforts to serve as the city's champion for homeowners and renters and to act as the principal catalyst for neighborhood investment.

Application Guidelines

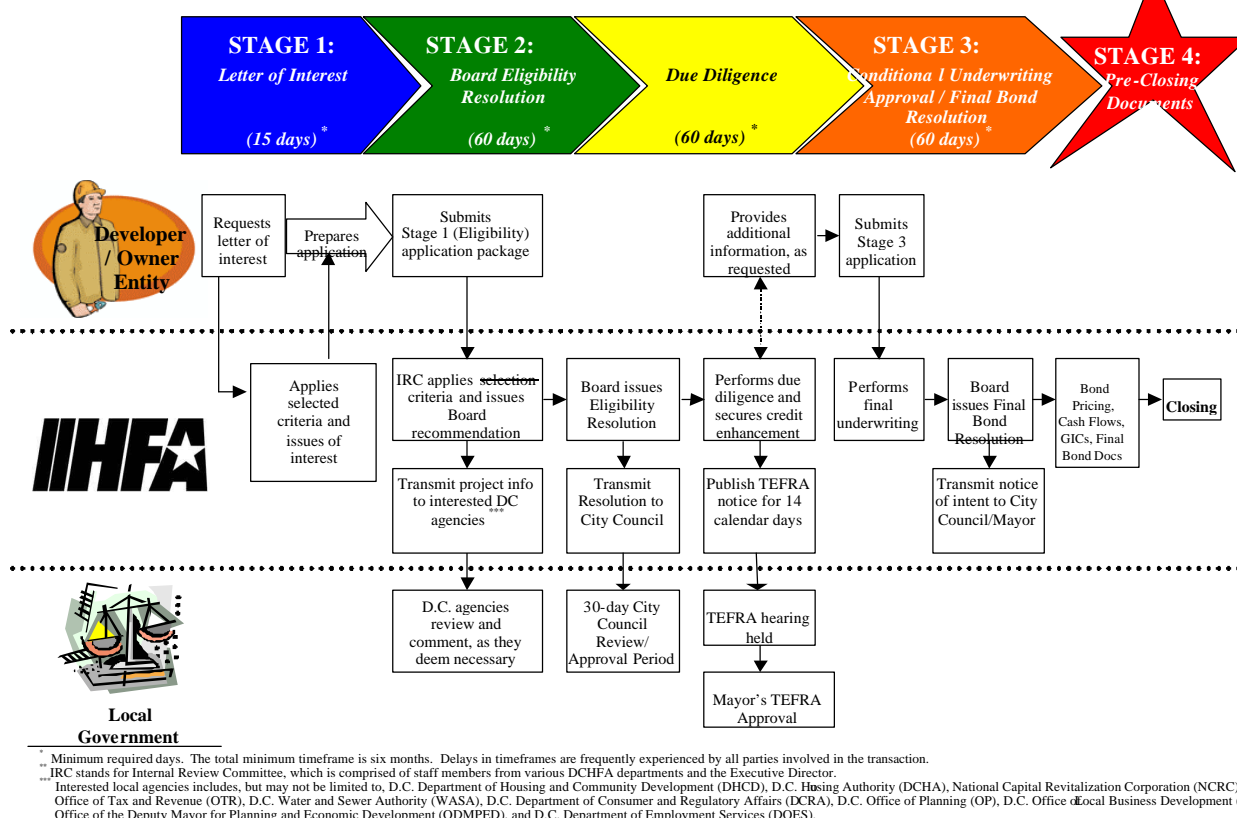
Overview

All applicants should discuss their project with DCHFA staff prior to submitting an application. The Agency has a four-stage application process, which may be shortened to three stages at the applicant's discretion. The stages are: (1) Letter of Interest; (2) Board Eligibility Resolution; (3) Conditional Underwriting Approval/Final Bond Resolution; and (4) Pre-Closing Documentation. Stage 1 is simply a mechanism whereby developers may submit a conceptual outline of a proposed transaction and get feedback from the Agency in the form of a Letter of Interest. A developer may go directly to Stage 2 by submitting a complete Stage 2 application as described herein. Please refer to the Application Form and Document Checklist for specific application requirements.

Stage 2 Applications will be reviewed by a staff committee and given a score based on compliance with a set of "Selection Criteria." Applications that receive a score of at least 60 points on a 100-point scale will be forwarded to the Board of Directors for Board consideration of an Eligibility Resolution. Please refer to the section on the Allocation Process and Allocation Plan for more information on the evaluation and scoring of applications.

DCHFA will undertake best efforts to close transactions within 120 days of Board approval of an Eligibility Resolution. However, certain elements of the development process are beyond the Agency's direct control and require timely action by the applicant and its chosen business partners. Conditional Underwriting Approval and Board enactment of a Final Bond Resolution are required before a closing date can be scheduled. It is generally possible to close transactions within 30 days of the Final Bond Resolution, as bond documents must be in substantially final form before the Board may approve such a Resolution. Please refer to the following flowchart for a graphic depiction of the Agency approval process.

DCHFA Bond Finance/Tax Credit Overview



Stage 1: Letter of Interest

A brief proposal with a general description of the site, the proposed ownership entity, developer/sponsor, and the proposed transaction is required. The proposal should include a preliminary development budget showing estimated hard and soft costs, along with a discussion of proposed sources of funds. The proposal should also include a preliminary operating proforma with proposed rent levels, summary expense information, estimated net operating income, and other pertinent financial data. Please indicate how the proposed project will meet the Agency's minimum low-income targeting requirement (20 percent set-aside for families with incomes at or below 50 percent of the area median, or 40 percent set-aside for families with incomes at or below 60 percent of the area median income), and include a discussion of preferred credit enhancement vehicles. Also discuss any unusual features of the proposed deal, which might become potential problems to be dealt with during the underwriting process.

Stage 2: Board Eligibility Resolution

Four copies of the Stage 2 Application must be submitted, each in a separate three ring binder with a table of contents and dividers for each section and exhibit. Applications must include an Application Form, Executive Summary and Narrative, with the documentation specified on the Document Checklist attached as exhibits. The Document Checklist indicates the documentation required for a Stage 2 application. A completed checklist indicating the items attached should be used as a cover for the exhibits that follow the narrative. An Application Fee of 0.1% of the requested bond amount must be tendered with the application submission and shall become non-

refundable after the application passes the Selection Criteria. Applicants that have not tendered the required application fee with their submission will not be accepted for further evaluation and scoring.

Application Form and Certifications - The Application Form (*pages 11-13*) should be completed in its entirety. The certifications provided on *pages 14-15* of this document must be signed by an authorized representative of the applicant.

Executive Summary - The Executive Summary should provide a summary description of the proposed project and its market position. This description should indicate whether you are requesting construction and/or permanent financing, whether a private placement or public offering is proposed, what subordinate financing is involved, what rent subsidies are to be used, and in which ward and census tract the project is to be located. Please discuss any unusual features of the transaction that have the potential to delay or force significant revisions to the development plan.

Project Narrative - The Narrative should discuss key elements of the development plan, as outlined below:

- Background and Experience of Developer/Sponsor and General Partners
- Financial Capacity of the Developer and General Partner
- Description of Ownership Entity
- Financial Feasibility/Credit Enhancement Information:
 - Describe acquisition-related costs, the scope and cost of rehabilitation, revenue and expense estimates, and the proposed debt structure.
 - Exhibits must include a Sources and Uses of Funds (DCHFA required format is included herein), an Operating Proforma for the lease-up period plus 15 years at stabilized occupancy, and prior-year project operating budgets or financial statements (if applicable).
- Neighborhood and Site Information:
 - Describe the site and building type(s), all building addresses, project history, current and proposed zoning, and current and proposed unit types and amenities
 - Describe the neighborhood surrounding the site, and whether the project is subject to historic requirements or is in a flood hazard zone.
 - Exhibits must include evidence of site control (including evidence of the waiver, assignment, or expiration of tenants' rights in accordance with D.C. Law); a location map indicating other housing developments and key institutions within a one-mile radius (schools, hospitals, supermarkets, retail shopping, public transit stations, etc.); an existing and/or proposed site plan; unit floor plans (with unit sizes in square feet); and twelve 5" x 7" color photographs of the site and building exteriors.

- **Market Feasibility Information:**
 - information on comparable projects in the target market
 - current occupancy levels at subject property
 - anticipated neighborhood/community impact
 - evidence of community support
 - exhibits must include a preliminary market and competitive analysis and a temporary relocation and anti-displacement plan
- **Background Information on Proposed Management Agent:**
 - previous experience managing similar projects
 - financial statements
 - proposed management agreement (optional)
- **General Contractor Information (optional)**
- **Architectural and Engineering:**
 - Describe the scope of work
 - Draft Architectural Rendering of Proposed Façade and Curb Appeal Features
- **Appraisal Report (optional)**
- **Environmental Report:**
 - Provide a Phase I Environmental Site Assessment (ESA)
- **Project Development Schedule**
- **Participation by District Residents and Minority-Owned or Disadvantaged Businesses**
- **Miscellaneous Information**
 - If project has existing HUD assistance include the most recent REAC inspection report. If score was failing, DCHFA may request the HUD MIO plan.
 - Depending on the financing vehicles used (e.g. credit enhancement, subsidy) there may be related documentation required.

This outline provides the minimum information required to be accepted as a complete Stage 2 application. It is recommended that applicants provide detailed project information sufficient enough to assess the project against the selection criteria (e.g., subsidized housing preservation status, data on proposed rent increases, new construction, etc.).

Stage 3: Conditional Underwriting Approval/Final Bond Resolution

Prior to final Board action, applicants must submit all of the information and materials required for processing a Stage 3 Conditional Underwriting Approval. It is not necessary to repeat the information contained in the Stage 2 application. Rather, applicants may submit only a Document Checklist, with updated materials attached as exhibits. The Agency will provide the applicant with a listing of additional information and materials required prior to Stage 3

processing. Four copies of the Stage 3 Application should be submitted in an appropriate cover, with each exhibit separated by dividers.

Stage 3 applications will no longer be accepted in a piece-meal fashion, and must be submitted as a comprehensive package. All key business terms must be negotiated and finalized prior to submission of a Stage 3 application. DCHFA staff will conduct the final underwriting analysis and work with all parties to draft the required bond documents. Bond documents must be in substantially final form before the Agency Board may approve a Final Bond Resolution.

Stage 4: Pre-Closing Documentation

The Agency will notify applicants of additional submission requirements for Stage 4 processing. These materials will include, at a minimum, the following:

- Final Tax-Credit Partnership Agreement (if applicable);
- Development Services Agreement;
- Final Management Agent Agreement;
- Form of the Lease Agreement;
- Contractor's Guaranteed Maximum Price;
- Firm Commitments from credit enhancement provider, construction lender, and secondary financing sources (as applicable);
- Final Estimate of Sources and Uses of Funds;
- Final 15-Year Operating Proforma;
- Preliminary Title Information;
- Site Survey;
- Hazard Insurance Binder; and
- Organizational Documents and Certificates of Good Standing.

DCHFA reserves the right to review and approve the final project budget prior to Closing. Closing cannot occur until the Agency has approved the final budget, the bond documents, and the HUD-1 settlement statements.

Application Review Process and Allocation Plan

Overview

Each application will be reviewed by an Internal Review Committee with respect to "Selection Criteria." Each Applicant will be notified in writing of the results of the initial screening, and if their application has been accepted for processing, at that time the application fee of 0.1% of the requested bond amount will become non-refundable. Applications that are incomplete or that fail to pass the Selection Criteria will be returned with an explanation and/or request for additional materials. The Committee will likely schedule a site visit as part of its review (which may include the Agency's Executive Director and members of the Board of Directors), and meet soon thereafter to discuss and score the applications in question. Applications that are accepted for further processing will undergo preliminary underwriting and will be forwarded to the Board of

Directors for consideration of an Eligibility Resolution. The Agency may, in its sole discretion, request additional materials at any time if necessary to further process any application.

Applications that are granted a Board Eligibility Resolution will be given a six-month period to close. Projects that fail to close within a six-month period may receive an extension by providing evidence of reasonable progress acceptable to the Agency. If an extension is not granted, the applicant will have to re-apply at a later date.

Special Considerations

The following special considerations or exceptions shall apply to the review process. Applicants are encouraged to contact the Agency to determine if one or more of the special considerations will be relevant for their application.

- **Non-Profit Sponsorship (Smaller Projects)** - The Agency reserves the right to set-aside a portion of the volume cap available for a separate selection process among non-profit sponsored projects requesting less than \$5 million in private-activity bonds. Whenever practicable, the dollar amount of such set-asides will be announced in advance. Applicants competing with respect to a non-profit set-aside will also be evaluated according to the Selection Criteria set forth below.
- **Applications Involving D.C. Housing Authority Assets** - The Agency reserves the right to withhold a portion of the volume cap available on an annual basis for applications involving D.C. Housing Authority assets.

Allocation Criteria

A set of objective criteria (the “Selection Criteria”), will be used to determine whether an application may be advanced for preliminary underwriting and Board consideration of an Eligibility Resolution. Projects must score at least 60 points on a 100-point scale in order to qualify for further consideration.

IMPORTANT: Regardless of score, an application will not be recommended to the Board for approval unless current residents of the subject property have waived or assigned their right-of-first refusal, or such rights have expired according to the provisions of D.C. law, if required. It will be the responsibility of the Applicant to provide affirmative evidence that this requirement has been satisfied, (i.e., copies of posted notices to tenants, signed waiver petitions, confirmation letter from the D.C. Department of Consumer and Regulatory Affairs, etc.) prior to Board consideration of Eligibility Resolutions.

SELECTION CRITERIA

- 30 Pts. Development Team Capacity and Readiness to Close Transaction**
- 0-5 Pts. Owner's/Developer's Experience and Performance on Similar Projects
 - 0-5 Pts. Borrower and General Partner Entities Organized
 - 0-5 Pts. Evidence of Site Control (option must last at least six months from application deadline or be extendable at the option of the developer to score more than 5 Pts.)
 - 0-5 Pts. Financial Capacity of the Development Team
 - 0-5 Pts. Experience and Local Presence of Management Agent
 - 0-5 Pts. Quality and Completeness of Application Package
- 20 Pts. Project Location and Site Characteristics**
- 0-5 Pts. Vacant, Partially-Occupied (under 60 percent), and/or Substandard Conditions¹
 - 0-5 Pts. Rehabilitation Expense Per Unit and as Percentage of Total Development Cost (< 15% of bond amount = 0 pts.)
 - 0-5 Pts. Adequacy of Unit Size/Configuration and available amenities on-site or in close proximity
 - 0-5 Pts. Location in a qualified census tract (see page 18), and a Strategic Investment Area (see page 20 for current designations), or a Sub-Market with a Disproportionately Low Amount of Affordable Housing, a Sub-Market Undergoing Rapid Gentrification, or a Sub-Market Underserved by DCHFA Programs In Last Five Years
- Bonus Points 10 Bonus Points will be Awarded for New Construction projects.**
- 20 Pts. Target Market, Occupancy and Rent Restrictions**
- 0-5 Pts. Proposal Exceeds Minimum IRS Standards with Respect to the Percentage of Income- and Rent-Restricted Units, and/or the Proposed Duration of Such Use Restrictions
 - 0-5 Pts. Targets Elderly or Disabled, Formerly Homeless Families or Families with Children
 - 0-5 Pts. Mixed-Income Tenancy (more than 10% of the units available without income restrictions)
 - 0-5 Pts. Proposal Coordinated with Development of New Homeownership Opportunities on Adjacent Site or in Close Proximity
- Bonus Points Up to 10 Bonus Points will be Awarded for Proposals where at least 20 percent of the total units are three or more bedrooms, encouraging family occupancy**
- Bonus Points Up to 10 Bonus Points will be Awarded for Proposals that Limit Rent Increases for Current Residents to No More than 10 Percent Per Year (including projected increases in tenant-paid utilities), until Fully Phased-In.**
- Bonus Points Up to 10 Bonus Points will be Awarded for Proposals that will accomplish the Preservation of Subsidized Housing with Expiring Use Restrictions**
- 20 Pts. Financial Feasibility and Financing Structure**
- 0-5 Pts. Evidence of Eligibility and/or Conditional Commitment for Credit Enhancement
 - 0-5 Pts. Adequacy of Lease-Up and Operating Reserves (including guarantees backed by a letter-of-credit)
 - 0-5 Pts. Leveraging of Other Public and Private-Sector Financing and/or Blending of Taxable Debt
 - 0-5 Pts. Developer Equity and/or Deferral of Development Fees
- 10 Pts. Resident Services, Participation By Minority and Disadvantaged Businesses**
- 0-5 Pts. Evidence of Participation by Minority or Disadvantaged Businesses (including prior performance of developer and general contractor)

0-5 Pts. Use of Development and Operating Funds for Community Space and Resident Services (including child or adult day care, computer labs, adult literacy or job training programs, special security measures, etc.)

Bonus Points Up to 10 bonus points will be awarded for proposals that include resident association participation in ownership and cash flow, and/or endowments for resident services

Deductions Up to 10 points may be deducted from applications involving borrowers or developers (or affiliates of borrowers or developers¹) that have closed two or more transactions using DCHFA private-activity bonds in the 18-month period preceding the applicable application deadline.

Up to 10 points may be deducted from applications that indicate a high probability of displacement of in excess of 20 percent of current residents and applications that do not include adequate protections and assistance for residents who may experience temporary or permanent displacement.

100 Pts. TOTAL (without bonus points or deductions)

¹ Affiliates will be considered the same borrower if the same entity has over 50 percent ownership interest in each affiliate.

DCHFA Not Obligated to Issue Bonds

DCHFA may from time to time approve Eligibility Resolutions in excess of the current availability of private activity bond volume cap, if the Agency finds, at its sole discretion, that it is prudent to do so based on historic “fall-out” rates for pipeline projects. The Agency will make every attempt to announce the availability of volume cap from time to time. The number of Eligibility Resolutions approved is intended to minimize uncertainty among developers regarding the availability of volume cap, but such approvals in no way obligate the Agency to issue bonds within any period of time, nor are they a guarantee that the subject application will receive final approval from the Agency’s Board of Directors.

Allocation Decisions Are Final

All allocation decisions are final. Applicants shall have no right to appeal with respect to the actions taken by Agency staff or the Agency’s Board of Directors in implementing this Allocation Plan. As evidenced by an authorized signature on the Certifications Form, all Applicants expressly waive any and all rights to seek any type of legal remedy whatsoever in the case their application does not result in Board approval. Furthermore, as evidenced by an authorized signature on the Certifications Form, Applicant’s agree to indemnify the Agency and hold it harmless against any and all claims made by the Applicant or its identified business partners with respect to the Agency’s implementation of this Allocation Plan.

No Liability

No provision of these Guidelines shall be the basis for any claim against the DCHFA or any past, present, or future member, officer or employee of the DCHFA. Furthermore, no past, present or future member, officer, agent or employee of DCHFA shall be personally liable concerning any matters arising out of, or in relation to, the determinations made pursuant to these Guidelines.

Allocation Plan Subject to Revision Without Public Notice

This Allocation Plan is provided as general guidance to applicants seeking financing through the programs operated by DCHFA. It has been provided for convenience, and the Agency is in no way bound by its provisions. DCHFA reserves the right to revise, amend or rescind this Allocation Plan, in whole or in part, without prior notice to the public.

For Agency Use Only			
Application Received (Date):		# of Units:	
Application Fee (Amount):		Ward:	

DCHFA APPLICATION FORM

GENERAL INFORMATION

APPLICANT INFORMATION			
Contact Name:			
Title:			
Company Name:			
Address 1:			
Address 2:			
Telephone Number:			
Fax Number:			
E-Mail Address:			
OWNERSHIP INFORMATION			
Proposed Owner Entity:			
Proposed Developer			
Sponsor/Guarantor			
Proposed General Partner Entity:			
Evidence of Site Control:			
Purchase Contract Effective Date:			
Purchase Contract Expiration Date:			
Purchase Price:			
Purchase Price Per Unit:			
PROJECT INFORMATION			
Project Name:		# of Units:	
Census Tract Number(s):		Ward:	
Square Number(s):		Lot Number(s):	
Project Address(es) and Zip Code :			
Gross Site Area (Sq. Ft.):			
Gross Floor Area (Sq. Ft.):			
Floor Area Ratio:			
Proposed Density (Units/Acre):			
Current Zoning:			
Proposed Zoning:			

DEVELOPMENT TEAM INFORMATION

JOINT VENTURE PARTNER/DEVELOPMENT CONSULTANT	
Contact Name:	
Title:	
Company Name:	
Address 1:	
Address 2:	
Telephone Number:	
Fax Number:	

E-Mail Address:	
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OWNER'S LEGAL COUNSEL	
Contact Name:	
Title:	
Company Name:	
Address 1:	
Address 2:	
Telephone Number:	
Fax Number:	
E-Mail Address:	
MANAGEMENT AGENT	
Contact Name:	
Title:	
Company Name:	
Address 1:	
Address 2:	
Telephone Number:	
Fax Number:	
E-Mail Address:	
GENERAL CONTRACTOR	
Contact Name:	
Title:	
Company Name:	
Address 1:	
Address 2:	
Telephone Number:	
Fax Number:	
E-Mail Address:	
ARCHITECT	
Contact Name:	
Title:	
Company Name:	
Address 1:	
Address 2:	
Telephone Number:	
Fax Number:	
E-Mail Address:	
UNDERWRITER/MORTGAGE LENDER	
Contact Name:	
Title:	
Company Name:	
Address 1:	
Address 2:	
Telephone Number:	
Fax Number:	
E-Mail Address:	

PROJECT FINANCIAL INFORMATION

BOND FINANCING AND OTHER SOURCES OF FUNDS				
Requested Bond Financing (\$):		\$ Per Unit:		
Other Source _____:		\$ Per Unit:		
Other Source _____:		\$ Per Unit:		
Other Source _____:		\$ Per Unit:		
Other Source _____:		\$ Per Unit:		
Total Sources of Funds		Total Per Unit:		
Bond Amt. as % of Total Sources:				
PROPOSED REHABILITATION				
Rehabilitation Cost:				
Rehabilitation Cost Per Unit:				
Rehab. Cost as % of Bond Amt.:				
Rehab. Cost as % of Tot. Sources:				
RENT INFORMATION				
Unit Type	# of Units	Current	# of Units	Proposed
Efficiency:				
One Bedroom (Type A):				
One Bedroom (Type B):				
Two Bedroom (Type A):				
Two Bedroom (Type B):				
Three Bedroom:				
Four Bedroom:				
Five Bedroom:				
Annual Gross Potential Rent:				
Annual Gross Commercial Inc.:				
Annual Operating Expense:				
Per Unit Per Annum Operating Exp.:				
Op. Exp. as % of Gross Pot. Rent:				
INCOME TARGETING				
Election Under IRS Code Section 142 (20/50 - 40/60):				
Percent of Units Qualified Under LIHTC Guidelines:				
RESIDENT SERVICES				
Description of Proposed Resident Services:				
Description of Recreational Amenities:				
SCOPE OF REHABILITATION				
Description of Proposed Scope of Rehabilitation:				

Certifications

1. The Undersigned, on behalf of the Applicant, certifies that the above information and documents filed as part of this application are true and accurate to the best of his/her knowledge and belief.
2. The undersigned, on behalf of the Applicant, certifies that this Application for financing has been filed with the knowledge and understanding of the applicability of the DCHFA's Act (D.C. Law 2-135, as amended), the Rules of the DCHFA, and other policies and requirements of DCHFA.
3. The undersigned, on behalf of the Applicant, certifies that the Applicant shall comply with all federal and District laws regarding nondiscrimination. The Applicant shall provide, and shall include in all contracts and subcontracts entered into in connection with the Project after the date hereof, a requirement that all contractors and sub-contractors engaged in the rehabilitation of the Project shall provide equal opportunity for housing or employment without discrimination in accordance with applicable District and federal laws. These laws include, but are not limited to, the District of Columbia Human Rights Act of 1977, as amended (D.C. Code Section 2-1401.01 *et seq.*). The Applicant shall use its best efforts to assure compliance with this requirement, including prosecution of an action to enforce contract compliance, if necessary. The Applicant also shall cause all contracting and procurement relating to the Project to be in compliance with applicable District and federal laws. The Applicant shall (a) (i) make good faith efforts to have at least 35% of the dollar amount of all contracts and subcontracts (including but not limited to custodial services, and procurement of goods and supplies for Project operations) let on the Project awarded to firms certified by the D.C. Local Business Commission as a Local, Small and Disadvantaged Enterprise ("Disadvantage Business Enterprise") in accordance with D.C. Law I-95, D.C. Code Section 2-215.01 *et seq.* and to have at least 5% of the dollar amount of all contracts let on the Project to prime contractors that agree to subcontract a portion of the contract work with Disadvantaged Business Enterprises and (ii) provide information to the Agency at its reasonable request regarding such contracting and (b) incorporate or cause to be incorporated all applicable requirements described above into any contract or subcontract for construction work or management services, or any other contract, subcontract, deed, contract for sale or transfer, or obligation regarding the Project whatsoever (or, to the extent such contract or subcontract, deed, contract for sale or transfer or obligations is entered into or incurred prior to the date hereof, make good faith efforts to incorporate or cause to be incorporated all such requirements described herein) and use all reasonable efforts to enforce those requirements and provisions and to obtain compliance therewith by its contractors, subcontractors, agents, representatives and transferees for so long as the Applicant is the owner of the property that is the subject of this Application.
4. The undersigned, on behalf of the Applicant agrees to and does hereby indemnify and save harmless the Agency and their past, present and future trustees, officers, directors, members, employees and agents, successors and assigns (individually, an "Indemnatee" and collectively, the "Indemnitees") from and against all liabilities, obligations, claims, damages, taxes, penalties, fines, losses, costs and expenses of any and every kind and

nature incurred by the Indemnitees in connection with the Application Guidelines implementation with respect to the Applicant, including without limitation:

- (a) all damages paid in settlement of any litigation commenced or threatened or other claim against any Indemnatee;
- (b) all expenses reasonably incurred in the investigation of, preparation for or defense of any litigation, proceeding or investigation of any nature whatsoever, commenced or threatened against the Applicant or any Indemnatee;
- (c) any judgments, penalties, fines, damages, assessments, indemnities or contributions imposed or assessed against an Indemnatee; and
- (d) the fees of attorneys, auditors and consultants.

The foregoing indemnification obligation shall not be limited by the amount or type of damages sustained.

5. The undersigned, on behalf of the Applicant, certifies that neither the Applicant nor any of its affiliates are delinquent on any obligation or indebtedness for which an agency or instrumentality of federal or local government is the creditor, including any obligation or indebtedness related to taxes and direct or guaranteed loans.

Applicant: _____

Date: _____

By: _____

Title: _____

Document Checklist

Section Number	Application Item	Stage 1 Ltr. of Int.	Stage 2 Eligibility	Stage 3 Final Bond	Stage 4 Closing
A	Resume and Experience of Developer/G.P.				
B	Developer/G.P. Financial Statements				
C	Description of Owner Entity				
	articles of incorporation				
	partnership agreements				
	financial statements				
	development services agreement				
	certificates of good standing				
D	Project Financial Information				
	preliminary operating proforma				
	preliminary sources and uses of funds				
	prior year operating budgets				
	detailed operating proforma				
	detailed sources and uses of funds				
	LIHTC equity calculations				
	LIHTC limited partnership agreement				
	credit enhancement commitment/terms				
	secondary financing commitments/terms				
	construction lender commitment/terms				
	proof of required insurances				
	final 15-year operating proforma				
	final detailed sources and uses of funds				
E	Neighborhood and Site Information				
	evidence of site control				
	evidence of waiver, assignment or expiration of tenants' rights				
	location map, site map, project photos				
	unit floor plans (with unit sizes in square feet)				
	current and proposed zoning				
	current tax assessment				
	topographic site survey				
	preliminary title search with exceptions and \$ amts. of encumbrances				
F	Market Feasibility/Marketing Plan				
	preliminary market and competitive analysis				
	tenant relocation or in-place rehab. plan				
	market feasibility study				
	marketing and tenant selection plan				
G	Management Agent Information				
	previous experience				
	financial statements				
	proposed management contract				
	proposed lease agreement				
	management policies and procedures				
	fair housing and EEO policy				
	final management contract				
H	General Contractor Information				
	previous experience				
	financial statements				
	detailed construction cost estimates				
	guaranteed maximum price				
I	Architectural and Engineering				
	detailed scope of work				
	engineering rpt./physical needs assessment				
	replacement reserve analysis				
	draft architectural rendering				
	detailed architectural plans and specifications				
J	Appraisal Report				
K	Environmental Report				

Sources and Uses of Funds

District of Columbia Housing Finance Agency

Sources and Uses of Funds Schedule

SOURCES OF FUNDS	Applicant's Estimate	Agency Use Only	LIHTC Eligible Basis
Tax-Exempt Bond Proceeds			
LIHTC Proceeds			
Development Fee - Deferred Portion			
Developer Equity Contribution			
Grants (Please List):			
Subordinate Debt (Please List):			
TOTAL SOURCES OF FUNDS	\$0	\$0	
USES OF FUNDS			
Land			
Building			
Other			
Total Acquisition	\$0	\$0	
Construction Costs			
Construction			
Hard Cost Contingency			
Environmental Remediation			
Land Improvements / Site Improvements			
Unusual Land Improvements / Infrastructure			
Permits			
General Requirements			
Builder's Overhead			
Builder's Profit			
Architecture			
Design			
Supervision			
Construction Financing			
Letter of Credit Commitment fee			
Letter of Credit Annual Fee			
Construction Monitoring			
Capitalized Interest During Construction			
Total Hard Costs	\$0	\$0	
Accounting and Cost Certification			
Owner/Developer Legal Counsel			
Third Party Due Diligence Reports			
Title and Recording			
Survey			
Interim Insurance			
Interim Taxes			
Marketing			
Resident Initiatives			
Relocation			
Soft Cost Contingency			
Total Soft Costs	\$0	\$0	
Development Fee - Paid at Closing and Through Completion			
Development Fee - Deferred Portion			
Total Developer Fee	\$0	\$0	
Financing Fees - Permanent Loan			
DCHFA Application Fee			
DCHFA Financing Fee			
DCHFA Tax Credit Allocation Fee			
Bond Counsel			
Issuer's Counsel			
Underwriter/Investment Banker Fee (if applicable)			
Underwriter's Counsel or Bond Investor's Counsel			
Credit Enhancement Fees			
Application/Commitment Fee			
Financing and Placement Fee (FHA Only)			
Initial Mort. Ins. Premium (FHA Only)			
Credit Enhancer's Legal Counsel			
Bond Costs of Issuance - Other			
Cash Flow Verification Analyst			
Rating Agency Fee			
Trustee Set-Up and Legal			
Financing Contingency			
Total Financing Costs	\$0	\$0	
Debt Service Reserve Fund			
Operating and Lease-Up Reserve			
Replacement Reserve			
Total Reserves	\$0	\$0	
TOTAL USES OF FUNDS	\$0	\$0	\$0

FY 2005 Washington, D.C. LIHTC Income Limits
Based on Area Median Income of \$89,300 (Family of 4)
(effective 02/10/05)

Family Size	50% AMI Income Limit	60% AMI Income Limit
1	\$31,250	\$37,500
2	\$35,700	\$42,840
3	\$40,200	\$48,240
4	\$44,650	\$53,580
5	\$48,200	\$57,840
6	\$51,800	\$62,160
7	\$55,350	\$66,420
8	\$58,950	\$70,740

FY 2005 LIHTC Rent Limits
(Based on Unit Size)

Unit Size	Assumed Occupancy	Assumed Income Limit @ 50% AMI	Rent Limit @ 30% of 50%*1/12	Assumed Income Limit @ 60% AMI	Rent Limit @ 30% of 60%*1/12
Eff.	1.0	\$31,250	\$781.25	\$37,500	\$937.50
1-BR	1.5	\$33,475	\$836.88	\$40,170	\$1,004.25
2-BR	3.0	\$40,200	\$1,005.00	\$48,240	\$1,206.00
3-BR	4.5	\$46,425	\$1,160.63	\$55,710	\$1,392.75
4-BR	6.0	\$51,800	\$1,295.00	\$62,160	\$1,554.00

NOTE: Maximum Rents include utility allowances. If utilities are individually metered, then rent levels must be reduced below the maximum rent shown above, so that the combination of the rent and a utility allowance do not exceed the indicated maximums.

Qualified Census Tracts

2.01	34.00	58.00	74.04	77.08	88.02	96.03	99.05
18.03	35.00	59.00	74.06	77.09	88.03	96.04	99.06
18.04	36.00	60.02	74.07	78.03	88.04	97.00	99.07
20.01	37.00	64.00	74.08	78.04	89.03	98.01	
21.01	46.00	68.01	74.09	78.06	89.04	98.02	
24.00	47.00	68.04	75.02	78.07	90.00	98.03	
25.02	48.01	71.00	75.03	78.08	91.02	98.04	
28.01	48.02	72.00	75.04	78.09	92.01	98.06	
28.02	49.01	73.02	76.01	79.01	92.03	98.07	
29.00	49.02	73.04	76.03	84.02	92.04	98.08	
30.00	50.00	73.08	76.05	85.00	95.01	98.09	
31.00	52.02	74.01	77.03	86.00	96.01	99.03	
32.00	57.01	74.03	77.07	87.02	96.02	99.04	

FEE SCHEDULE

Application Fee (non-refundable)

Application Fee	0.1% of Bond Amt.
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Bond Financing Fee (Paid at Closing)

Credit Enhanced, Rated Bonds \$0 - \$4,999,999:	1.5%
Credit Enhanced, Rated Bonds \$5,000,000 and up	1.3%
Non-Rated Bonds	2.0%
Short-Term Bonds (under 5 years)	2.0%

Sec. 542(c) HUD-DCHFA Risk-Sharing Program

Financing Fee	1.5 - 2.5%
Placement Fee	1.0%

Legal Fees (Paid at Closing)

Issuer's Counsel	\$12,500 - \$25,000 ²
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Bond Administration Fee (Ongoing Annual Fee within Mortgage Rate)

Rated and Non-Rated Term Bonds - based on outstanding balance - payable semi-annually in arrears - \$2,500 semi-annual minimum	40 bpts.
Short-Term Bonds (under 5 years)	50 bpts.

Low-Income Housing Tax Credit Fees

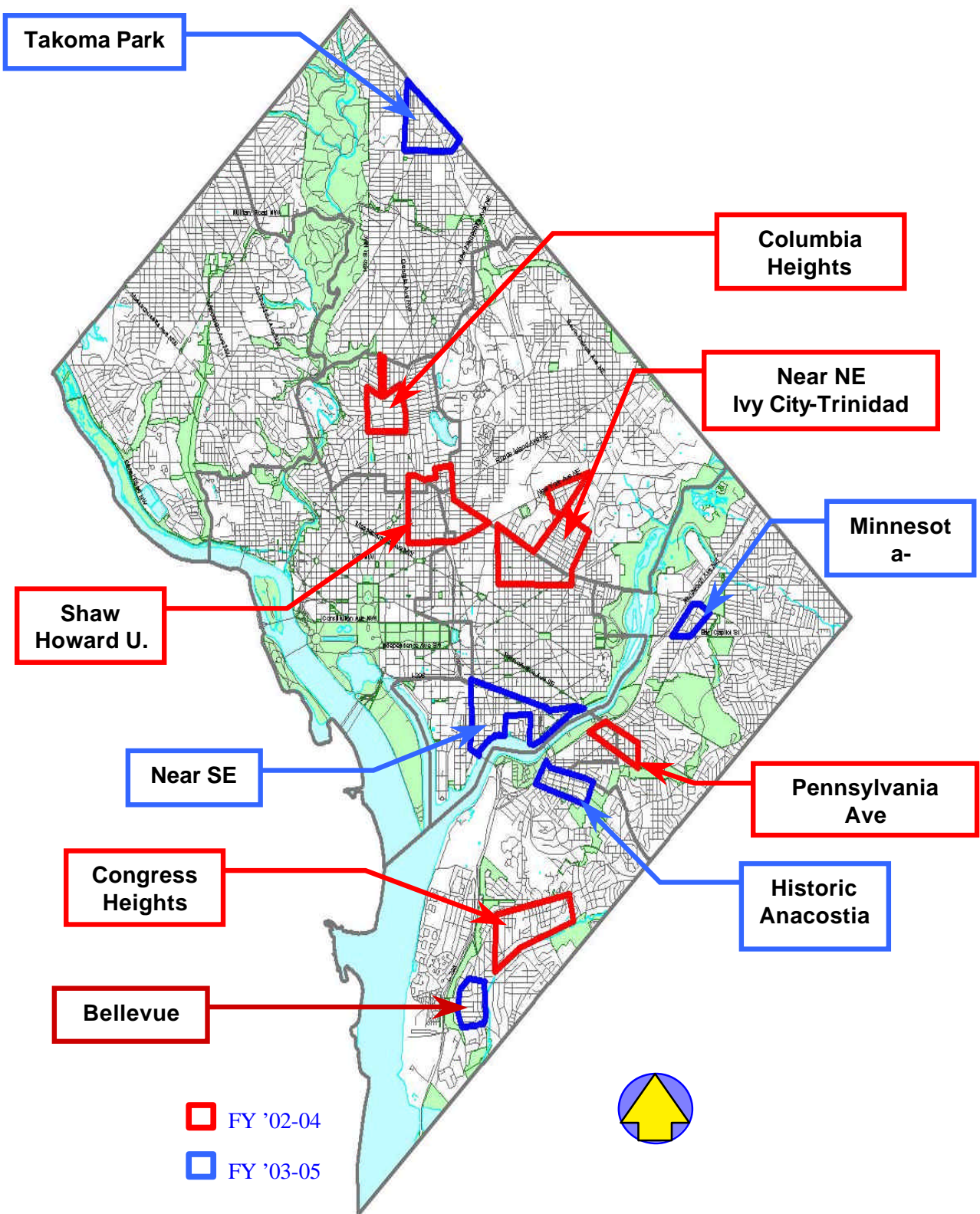
Allocation Fee (paid at closing)	6% of Annual Credit
Monitoring Fee	incl. in Bond Admin. Fee

Construction Monitoring Fee

When Bond Proceeds are Used During Construction	1% of Hard Costs including contingency (excl. fees & permits)
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² Legal fees may exceed this guideline based on the complexity of the transaction.

Map of Current Strategic Investment Areas



STRATEGIC NEIGHBORHOOD INVESTMENT PROGRAM**Areas Boundaries****LeDroit/Howard University and Shaw**

V St., NW to 2nd St., NW to Florida Ave., NW to New York Ave., NW to M St., NW to 10th St., NW to U St., NW to Florida Ave., NW to Bohrer St., NW to U St., NW to 5th St., NW to V St., NW.

Columbia Heights

14th St., NW (from Spring Rd., NW to Park Road) to Park Rd., NW to 11th St., NW to Euclid St., NW to 16th Street, NW to Park Rd., NW.

Ivy City/Trinidad

New York Ave., NE to West Virginia Ave., NE to Mount Olivet Rd., NE to Fairview Ave., NE to New York Ave., NE. and Mount Olivet Rd., NE to Bladensburg Rd., NE to Benning Rd., NE to Florida Ave., NE to West Virginia Ave., NE to Mount Olivet Rd., NE.

Near NE/H Street, NE

3rd St., NE to Florida Ave., NE to H St., NE to 15th St., NE to G St., NE to 3rd St., NE.

Congress Heights

Alabama Ave., SE to 15th St., SE to Oxon Run to Xenia St., SE to 2nd St., SE to Savannah St., SE to 4th St., SE to Alabama Ave., SE.

Pennsylvania Avenue/Fairlawn

Fairlawn Ave., SE to N St., SE to Minnesota Ave., SE to 28th St., SE to Fort Circle Park (northern edge) to 24th Pl., SE to S St., SE to 18th St., SE to Fairlawn Ave., SE.

Near Southeast/Navy Yard

SE/SW Freeway to South Capitol St. to the Anacostia River exclusive of the Navy Yard.

Bellevue

Martin Luther King Jr. SE to South Capitol St. to Atlantic Ave. SW to 1st St., SE to Galveston St., SW to Martin Luther King Jr. SE.

Anacostia

Good Hope Road, SE to 19th Pl., SE to Fort Stanton Park (eastern edge) to Hunter Pl., SE to Morris Rd., SE to Hunter Pl., SE to Howard Rd., SE to Bowen Rd., SE to Howard Rd., SE to Martin Luther King Jr. Ave., SE to Good Hope Road, SE.

Minnesota Avenue/Benning Road

Minnesota Avenue Metro Station to Minnesota Ave., NE to Benning Rd., NE to 41st St., NE to East Capitol St. to Interstate 295 to Minnesota Avenue Metro Station.

Takoma

Georgia Ave. NW to Eastern Ave. NW to Laurel St., NW to Aspen St., NW to Georgia Ave. NW.